

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 6, 2007 (June 5, 2007)

TRANSACTION SYSTEMS ARCHITECTS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-25346
(Commission File Number)

47-0772104
(IRS Employer
Identification No.)

120 Broadway, Suite 3350
New York, New York 10271
(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (646) 348-6700

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On June 6, 2007, the Company posted investor presentation materials on its web site (www.tsainc.com) to be used in connection with meetings with investors that management expects to have from time to time. A copy of the presentation materials is attached hereto as Exhibit 99.1 and is incorporated by reference into this Item 7.01.

On June 5, 2007, the Company issued a press release announcing updates on its regulatory filing schedule and adjustments to its financial guidance. A copy of this press release is attached hereto as Exhibit 99.2.

The foregoing information (including the exhibit hereto) is being furnished under "Item 7.01 – Regulation FD Disclosure." Such information (including the exhibit hereto) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

The filing of this Report and the furnishing of this information pursuant to Item 7.01 do not mean that such information is material or that disclosure of such information is required.

Item 8.01 Other Information.

On June 6, 2007, the Board of Directors of the Company determined to implement the previously announced increase of \$100 million to its current repurchase authorization previously approved by the Board of Directors, bringing the total authorization to \$210 million. Under the program to date, the Company has purchased approximately 2.8 million shares for approximately \$77.0 million. Purchases will be made from time to time as market and business conditions warrant, in open market, negotiated or block transactions, subject to applicable laws, rules and regulations.

Item 9.01. Financial Statements and Exhibits.

99.1 Investor Presentation dated June 2007

99.2 Press Release dated June 5, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRANSACTION SYSTEMS ARCHITECTS, INC.

/s/ Henry C. Lyons

Henry C. Lyons

Senior Vice President and Chief Financial Officer

Date: June 6, 2007

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Description</u>
Exhibit 99.1	Investor Presentation dated June 2007
99.2	Press Release dated June 5, 2007



Transaction Systems Architects, Inc.

Investor Overview

June 2007





Private Securities Litigation Reform Act of 1995 Safe Harbor For Forward-Looking Statements

This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. A discussion of these forward-looking statements and risk factors is set forth at the end of this presentation. The Company assumes no obligation to update any forward-looking statement in this presentation.

The Company is still in the process of finalizing its financial results for the quarters ending December 31, 2006 and March 31, 2007. These results and the Company's subsequent forecast for the balance of the calendar year could result in adjustments to the Company's financial guidance. The Company does not intend to update publicly the timing of the future possible adjustments to guidance going forward, except as circumstances may warrant or as required by law.

Presentation Topics

- Our Company
- Our Industry
- Our Products
- How We Win
- How We Grow
- Our Strategic Vision
- How We Measure It
- Risks and Obstacles



Key Takeaways*



Best Payments Solutions

- Gold Standard for enterprise payments technology
- Comprehensive features for the payments value chain
- TSA plays an "honest broker" role

Global Presence

- Global distribution system
- Over 800 customers in 84 countries
- Represented in countries comprising 95% of world GDP
- Two thirds of business is outside U.S.

Industry Fundamentals

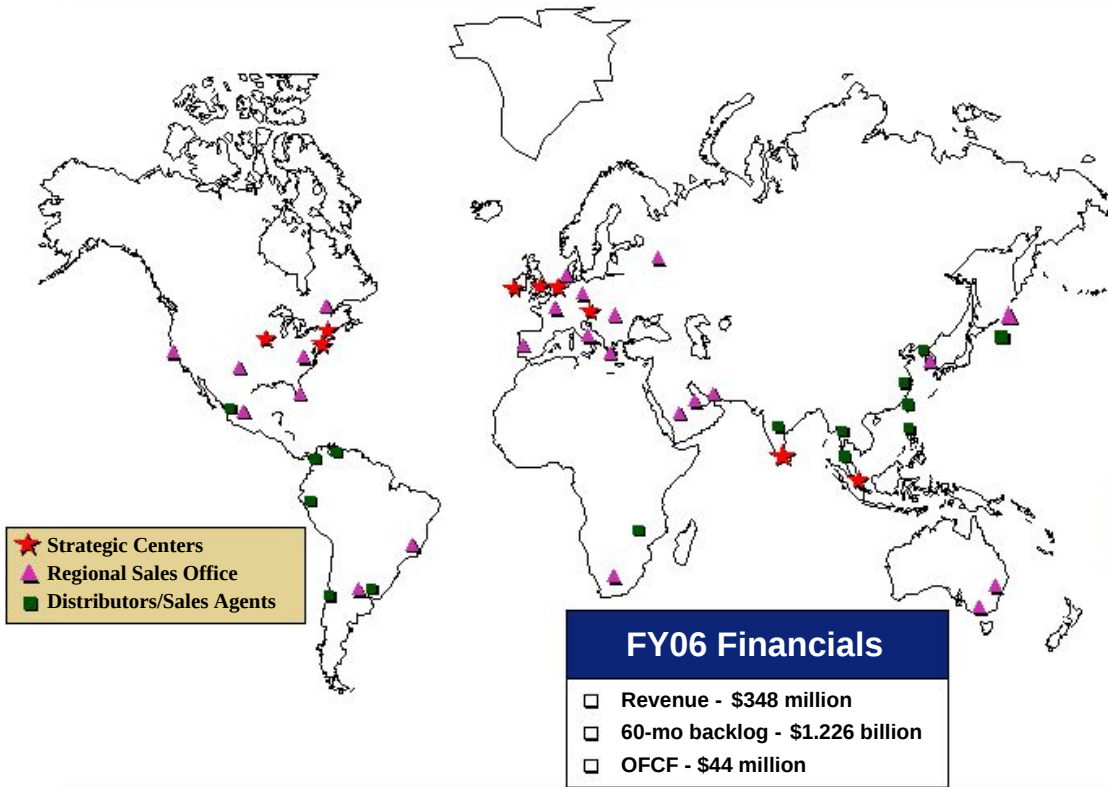
- Positive industry fundamentals driven by payment volume growth, industry consolidation and regulatory pressures
- Payment volumes growing at 4X global gross domestic product

Business Model

- Strong cash flow
- Long-term revenue growth
- Long-term backlog growth
- Leveraged earnings growth
- Leverageable balance sheet

▶ **"TSA is in the catbird seat for global payments"– Phil Heasley, TSA CEO**

Our Company*



Key Metrics

- ☐ Over 800 customers
- ☐ 84 countries, 33 offices
- ☐ Over 2,100 staff
 - ☐ > 800 engineers
 - ☐ > 180 sales staff
- ☐ Over 75 billion retail payments per year
- ☐ Over \$5 trillion in wire transfers per day

CY07 Financials (est.)

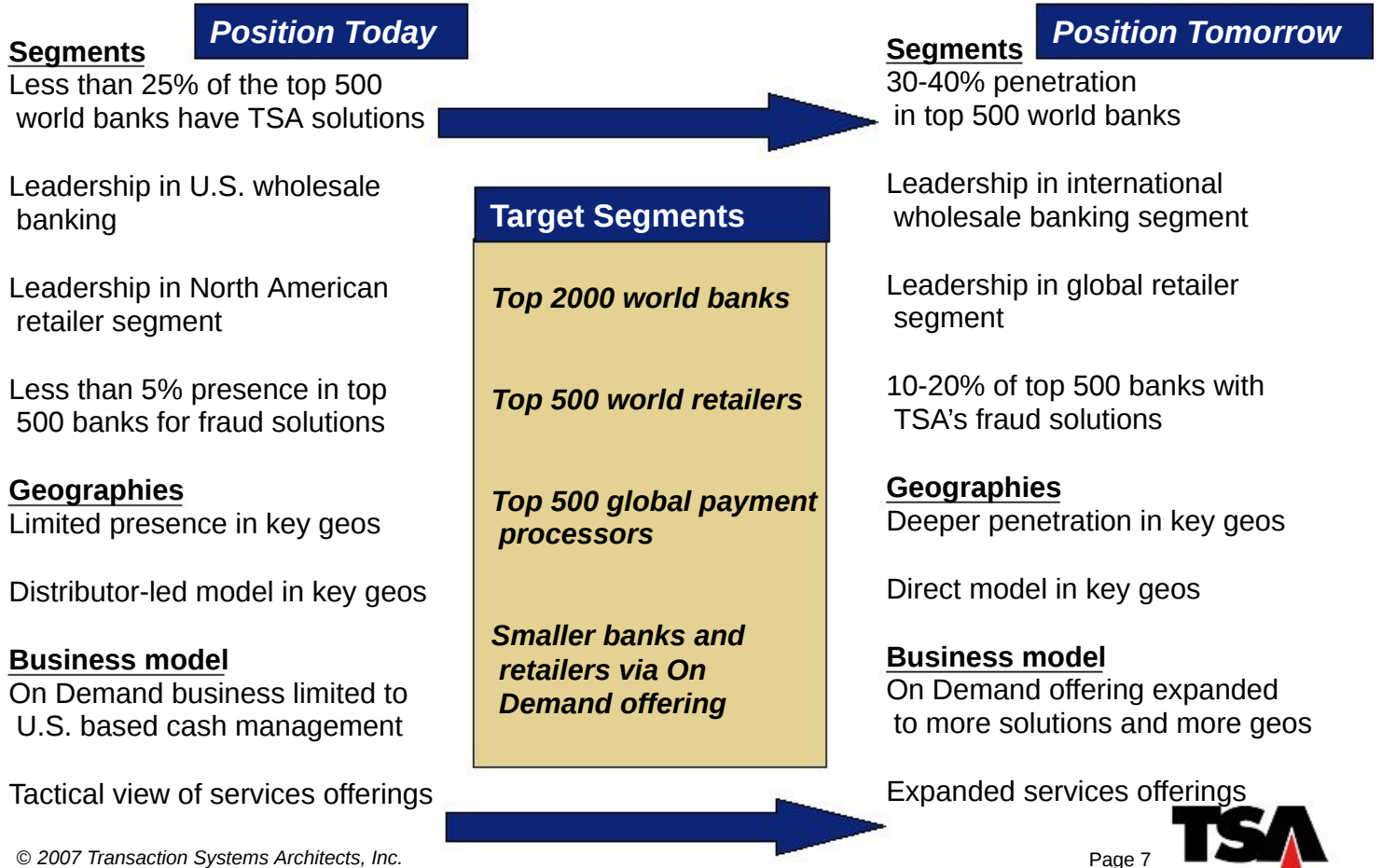
- ☐ Revenue - \$428 - 447 million
- ☐ 60-mo backlog - \$1.309 - 1.339 billion
- ☐ OFCF - \$57- 67 million

▶ **TSA has a highly differentiated global presence in the payments industry**

Our Industry



Our Industry Position Today and Tomorrow



The Wholesale Banking Segment



The Segment

- TSA is a leader in the U.S.
- Target is top 2000 world banks
- TSA currently has over 120 customers
- Smaller banks addressed via ACI On Demand offering

Key Dynamics

- Regulatory compliance (e.g. SEPA)
- Many home-grown systems, many old systems
- Banking consolidation has created redundancies and silos

The Opportunity

- International markets
- Adding to wholesale solutions offering
- Adding to existing ACI On Demand offering
- Payment systems convergence

Key Sources of Competition

- In-house developed solutions
- Third-party software vendors, including FundTech, Logica, Tieto Enator, Clear2Pay and local providers

▶ ***TSA's highest potential growth segment , with significant international opportunities***

The Retail Banking Segment



The Segment

- TSA is a global software leader
- Target is top 2000 world banks
- TSA currently has over 470 customers
- Smaller banks to be addressed via ACI On Demand offering

Key Dynamics

- Payment volumes on the increase
- Regulatory compliance (e.g. EMV)
- Many home-grown systems, many old systems
- Banking consolidation has created redundancies and silos

The Opportunity

- New share in under-penetrated countries
- ACI On Demand offering expands industry potential
- Payments systems convergence
- The IBM segment

Key Sources of Competition

- 3rd-party processors
- In-house developed solutions
- Third-party software vendors, including eFunds, S1, Fair Isaac and local providers

▶ *TSA is investing to win additional market share in its traditional sweet spot*

The Retailer Segment



The Segment

- TSA has a leadership position in North America
- Target is top 500 global retailers
- TSA currently has over 100 customers
- Smaller retailers to be addressed via ACI On Demand offering

Key Dynamics

- Payment volumes increasing
- Regulatory compliance
- Many home-grown systems, many old systems
- Industry consolidation has created redundancies and silos

The Opportunity

- Displacing 3rd-party processors
- Replacing aging technology
- Facilitating payment systems consolidation
- The IBM segment

Key Sources of Competition

- 3rd party processors
- In-house developed solutions
- Third-party software vendors, including eFunds, S1, AJB and local software providers

▶ **TSA offers a compelling cost advantage for payments processing to large retailers**

The 3rd -Party Processor Segment



The Segment

- TSA is the global software leader
- Target is top 500 global and local processors
- TSA currently has over 140 customers

Key Dynamics

- Payment volumes increasing
- Regulatory compliance
- Many home-grown systems, many old systems
- Industry consolidation has created redundancies and silos

The Opportunity

- Replacing aging technology
- Facilitating payment systems consolidation
- The IBM segment

Key Sources of Competition

- In-house developed solutions
- Third-party software vendors, including eFunds, Fair Isaac and local software providers

▶ *TSA is replacing aging technology and consolidating platforms for payment processors*

What Our Products Do



Retail Payment Engines

- Device driving
- Authentication
- Switching
- Authorization
- Interface to payment networks
- Stand-in processing and disaster recovery

Wholesale Payment Engines

- Online banking
- Authentication and authorization
- Payment messaging and reporting
- Interface to payment networks
- Liquidity management
- Trade finance

Risk Management

- Enterprise-level fraud prevention and detection
- Rules or model-based fraud detection
- Real-time or post-transaction fraud detection
- Fraud case management and workflow
- Custom models

Payments Management

- Settlement and reconciliation
- Reporting
- Customer dispute management
- Card management
- Smartcard lifecycle management

▶ *Enterprise support for the payments value chain*

How We Win*



Versus home-grown solutions

End-to-end solution
Investment in regulatory compliance
Scale, availability and manageability
Platform for payments convergence
Full-service offering, including On Demand



Reduced cost of operations
Better, more timely regulatory compliance
Integrated solutions suite, supports convergence
More current technology

Overall differentiators

Versus other software companies

Versus 3rd-party processors

Lower cost per transaction
More control for the customer over pricing, packaging and service levels
More flexibility in deployment options
Better integration with back-end systems

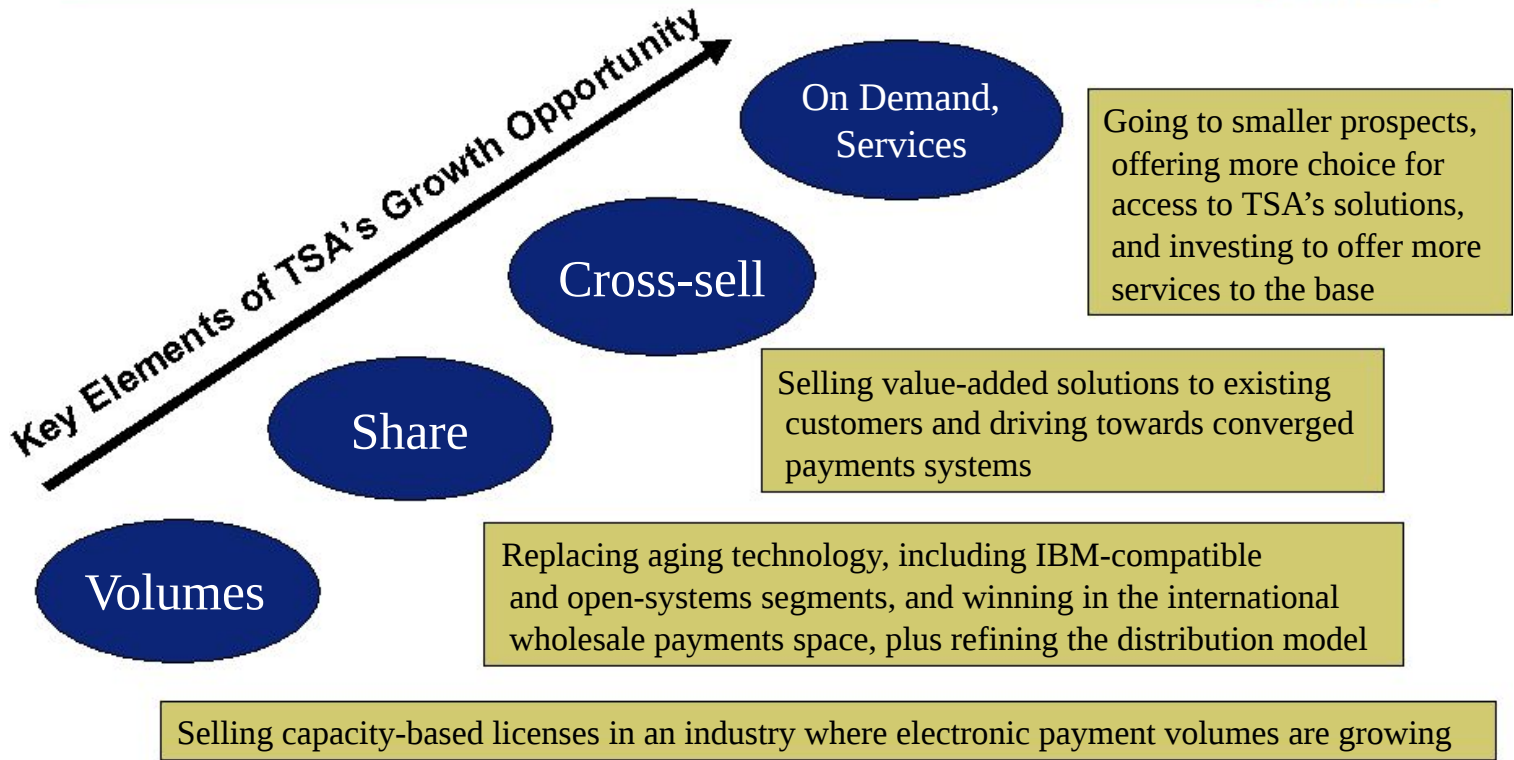
Global reach and support
More complete, more scalable solutions
Investment in ongoing R&D
Corporate strength and track record
Key partnerships

▶ **TSA has key points of differentiation vs the alternatives**

How We Grow



Elements of Our Growth*



▶ **TSA has both organic and acquisition-based growth opportunities**

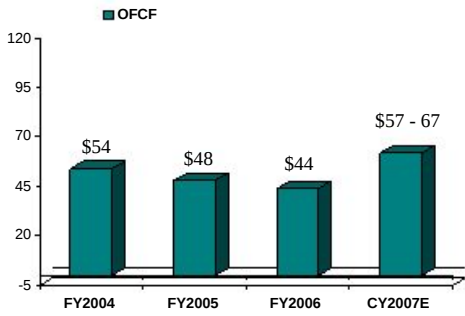
How We Measure It



Key Financial Metrics*

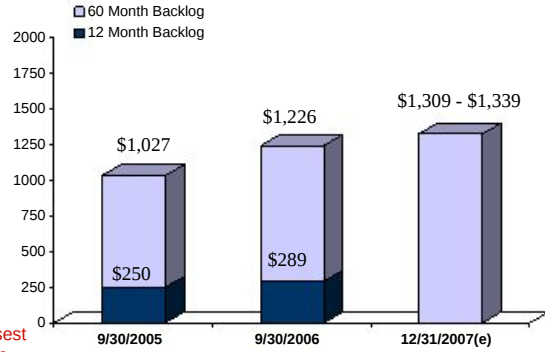


Operating Free Cash Flow* - \$ millions

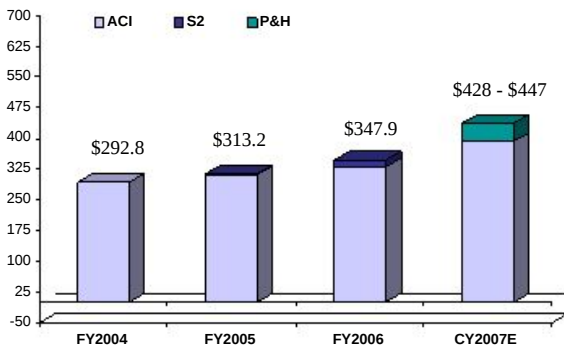


*Free cash flow calculated as operating cash flow minus capex, adjusted for one-time items. For an explanation of why management believes this is a useful measure and for a reconciliation to the closest GAAP measure, see "Non-GAAP Financial Measures Reconciliations" at the end of this presentation.

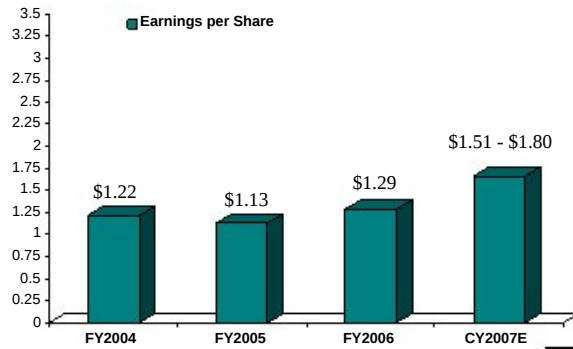
Backlog - \$ millions



Revenue - \$ millions



Adjusted Non-GAAP EPS*

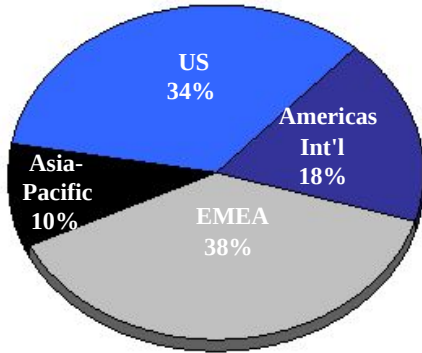


*Adjusted non-GAAP eps is calculated as GAAP eps less intangible amortization from acquisitions, stock-based compensation expense and special items. For an explanation of why management believes this is a useful measure and for a reconciliation to the closest GAAP measure, see "Non-GAAP Financial Measures Reconciliations" at the end of this presentation

Key Financial Metrics - Revenue



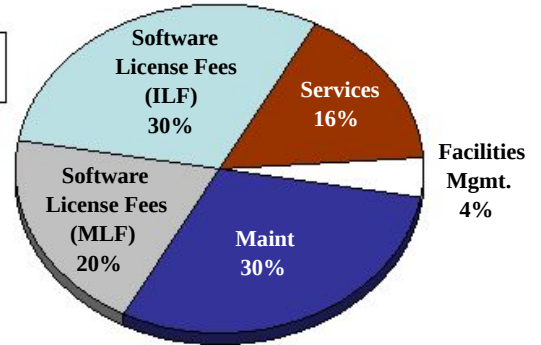
Revenue by Geo



FY2006

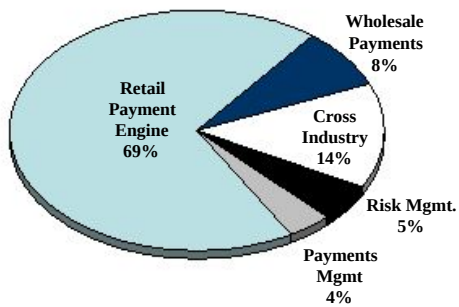
53% of TSA's revenue recurs on a monthly basis.

Revenue by Type



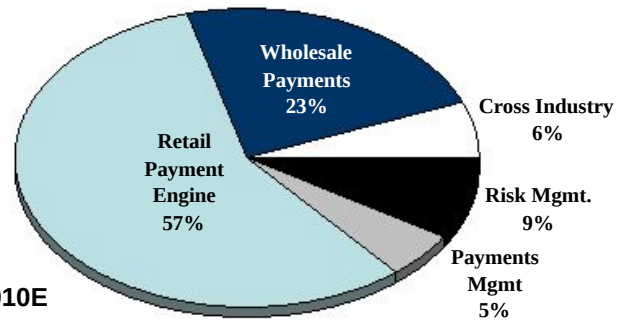
FY2006

Revenue by Product Line



FY2006

Product Revenue Mix Over Time



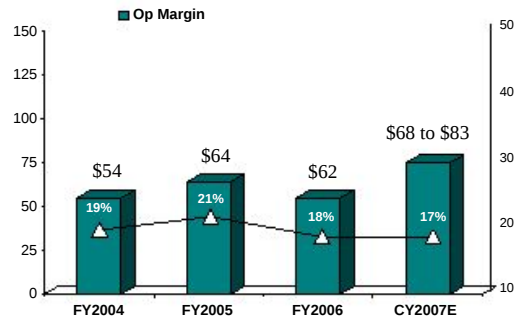
CY2010E

On Demand revenue is expected to comprise 15-20% of total revenue in 2010

Key Financial Metrics - Profitability

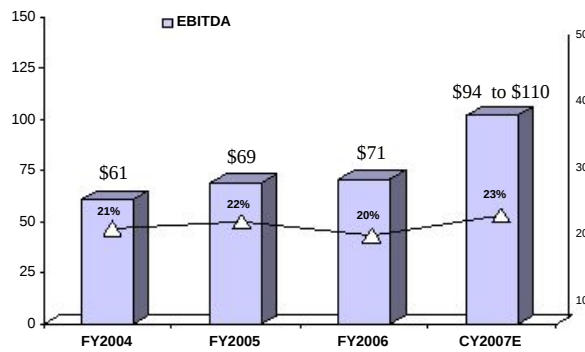


Operating Income - \$ millions



Operating margin and EBITDA are adjusted for one-time items.

EBITDA* - \$ millions

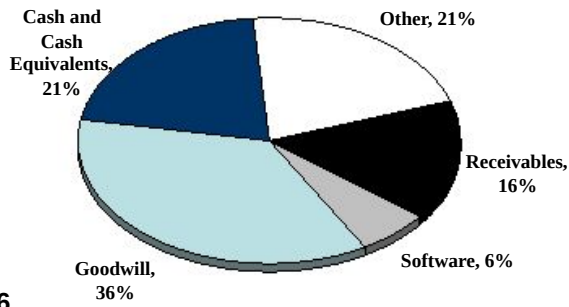


*EBITDA is a Non-GAAP measure. For an explanation of why management believes this is a useful measure and for a reconciliation to the closest GAAP measure, see "Non-GAAP Financial Measures Reconciliations" at the end of this presentation.

TSA's Balance Sheet and ROIC

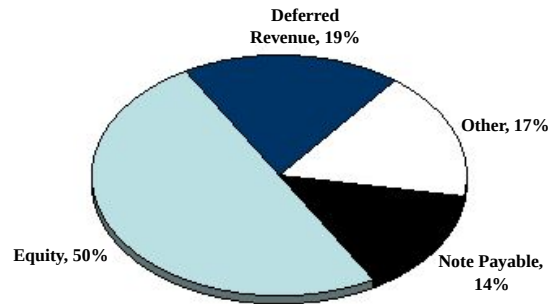


Assets



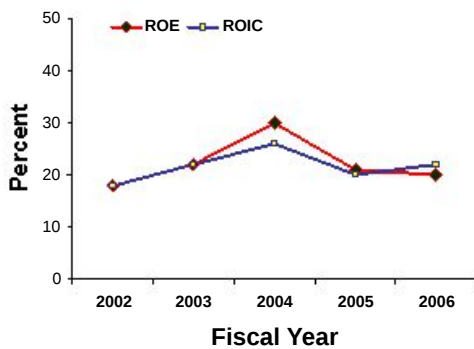
9/30/06

Liabilities



9/30/06

Return on Equity and Invested Capital



Key Takeaways

- Strong, leverageable balance sheet
- Minimum \$75 million unused line available
 - Significant incremental borrowing capacity
- High return on equity and invested capital relative to industry peers



Best Payments Solutions

- ❑ Gold Standard for enterprise payments technology
- ❑ Comprehensive features for the payments value chain
- ❑ TSA plays an “honest broker” role

Global Presence

- ❑ Over 800 customers in 84 countries
- ❑ Represented in countries comprising 95% of world GDP
- ❑ Direct sales model, supplemented by in-country distributors

Industry Fundamentals

- ❑ Positive industry fundamentals driven by payment volume growth, industry consolidation and regulatory pressures
- ❑ Payment volumes growing at 4X global gross domestic product

Business Model

- ❑ Strong cash flow
- ❑ Long-term revenue growth
- ❑ Long-term backlog growth
- ❑ Leveraged earnings growth
- ❑ Leverageable balance sheet

▶ ***TSA is a solid investment for the long-term growth investor***



www.tsainc.com

Forward-Looking Statements



This presentation contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and may include words or phrases such as the Company “believes,” “will,” “expects,” “looks forward to,” and words and phrases of similar impact, and include but are not limited to statements regarding future operations, business strategy and business environment and specifically include amounts estimated in the 12-month and 60-month backlogs, the Company’s revenue and earnings guidance, and the Company’s long-term revenue and earnings growth objectives.

The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this presentation include, but are not limited to, statements regarding the:

- Company’s expectations regarding positive industry fundamentals driven by payment volume growth, industry consolidation and regulatory pressure;
- Company’s expectations regarding penetration in top 500 world banks, leadership position in international wholesale banking segment, leadership position in global retailer segment and penetration of top 500 world banks with its fraud solutions;
- Company’s expectation regarding its growth rate and industry growth rate in excess of traditional capital expenditure growth rates;
- Company’s expectation regarding the wholesale banking segment as its highest potential growth segment, with significant international opportunities;
- Company’s expectation regarding investing in the retail banking segment will lead to additional market share;
- Company’s expectation regarding its organic and acquisition-based growth opportunities;
- Company’s expectation its leading, gold standard payment engines will create leading market positions in additional geographies and possibly in new industry segments;
- Company’s operating free cash flow, backlog, adjusted non-GAAP eps estimates;
- Company’s revenues and EPS estimates for calendar 2007;
- Company’s product revenue mix over time;
- Company’s expectation regarding its significant incremental borrowing capacity; and
- Company’s high return on equity and invested capital relative to industry peers.

Forward-Looking Statements (continued)



Any or all of the forward-looking statements may turn out to be wrong. They can be affected by the judgments and estimates underlying such assumptions or by known or unknown risks and uncertainties. Many of these factors will be important in determining the Company's actual future results. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially from those expressed or implied in any forward-looking statements. In addition, the Company disclaims any obligation to update any forward-looking statements after the date of this presentation.

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in the Company's filings with the Securities and Exchange Commission. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review the Company's filings with the Securities and Exchange Commission, including the Company's Form 10-K filed on May 11, 2007, and specifically the section entitled "Factors That May Affect the Company's Future Results or the Market Price of the Company's Common Stock."

Forward-Looking Statements (continued)



The risks identified in the Company's filings with the Securities and Exchange Commission include:

- Risks associated with the restatement of the Company's financial statements;
- Risks associated with not having current financial information available and the Company will be limited in its ability to register its securities for offer and sale until the Company is deemed a current filer with the SEC;
- Risks associated with the delays in filing its periodic reports, including the need to obtain additional extensions from the lender in the future in order to comply with the financial reporting requirements of the Company's bank debt, the failure to do so which could have a material adverse effect on the Company's business, liquidity and financial conditions;
- Risks associated with the delay in filing its Quarterly Report on Form 10-Q for the quarter ended December 31, 2006 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 with the SEC and any failure to satisfy other NASDAQ listing requirements could cause the NASDAQ to commence suspension or delisting procedures with respect to its common stock;
- Risks associated the Company's performance which could be materially adversely affected by a general economic downturn or lessening demand in the software sector;
- Risks associated with the complexity of the Company's software products;
- Risks inherent in making an estimate of the Company's backlogs which may not be accurate and may not generate the predicted revenue;
- Risks associated with tax positions taken by the Company which require substantial judgment and with which taxing authorities may not agree;
- Risks associated with consolidation in the financial services industry which may adversely impact the number of customers and the Company's revenues in the future;
- Risks associated with the Company's stock price which may be volatile;
- Risks associated with conducting international operations;
- Risks regarding the Company's newly introduced BASE24-eps product which may prove to be unsuccessful in the marketplace;
- Risks associated with the Company's future profitability which depends on demand for its products; lower demand in the future could adversely affect the Company's business;
- Risks associated with the Company's software products which may contain undetected errors or other defects, which could damage its reputation with customers, decrease profitability, and expose the Company to liability;
- Risks associated with future acquisitions and investments which could materially adversely affect the Company;
- Risks associated with the Company's ability to protect its intellectual property and technology and may be subject to increasing litigation over its intellectual property rights;
- Risks associated with the Company's restructuring plan which may not achieve expected efficiencies;
- Risks associated with litigation that could materially adversely affect our business financial condition and/or results of operations;
- Risks associated with new accounting standards or revised interpretations or guidance regarding existing standards; and
- Risks associated with the assessment and maintenance of internal controls over the Company's financial reporting.

Forward-Looking Statements (continued)



Backlog Estimates

The Company's 12-month and 60-month backlog estimates are based on the Company's judgment about future events which, as described above, involve a number of risks and uncertainties. The Company estimates backlog using the methodology described in the Company's Form 10-Q filed on August 9, 2006 in the section entitled "Backlog" under Item 2. – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION – and on the Company's website at www.tsainc.com.

Non-GAAP Financial Measures Reconciliation

This presentation includes non-GAAP information: EBITDA, Operating Free Cash Flow and Adjusted Non-GAAP EPS. EBITDA is defined as net income before interest, taxes, depreciation and amortization. The Company uses EBITDA as a performance measure and provides EBITDA to investors to complement results provided in accordance with GAAP, as management believes the measure helps illustrate underlying operating trends in the Company's business and uses the measure to establish internal budgets and goals, manage the business and evaluate performance. Because EBITDA excludes some, but not all, items that affect net income and the definition of EBITDA may vary among other companies, the EBITDA measure presented by the Company may not be calculated and presented in accordance with GAAP. Operating Free Cash Flow is defined as net cash flow from operating activities adjusted for selected one-time items minus capital expenditures. The Company utilizes this non-GAAP financial measure, as an indicator of cash flow available for debt repayment and other investing activities, such as acquisitions. The Company utilizes operating free cash flow as a further indicator of operating performance and for planning investing activities. Adjusted non-GAAP EPS is defined as GAAP earnings per share adjusted for selected one-time items plus amortization of acquisition-related intangibles and non-cash equity-based compensation. The Company believes that providing earnings per share on an adjusted, non-GAAP basis is useful to its investors as an operating measure because it excludes certain expenses and therefore provides a consistent basis for comparison of the Company's expenses from period to period.

Forward-Looking Statements (continued)



	FY ended Sept 30,			CY2007e
	2004	2005	2006	
Reconciliation of EBITDA (\$ thousands)				
Operating income	54,294	64,251	53,778	68,000 to 83,000
Selected one-time items				
Lawsuit	-	-	8,450	-
Goodwill impairment charge	-	-	-	-
Severance	-	-	-	1,000 to 2,000
Stock Option Review	-	-	-	4,000
Operating income adjusted for selected one-time items	54,294	64,251	62,228	73,000 to 89,000
Depreciation & Amortization	6,571	5,180	8,362	21,000
EBITDA	60,865	69,431	70,590	94,000 to 110,000
Reconciliation of Operating Free Cash Flow (\$ thousands)				
Net cash flow from operating activities	58,091	53,151	60,701	63,000 to 71,000
Selected one-time items				
Lawsuit	-	-	-	-
Stock Option Review	-	-	-	4,000
IRS Settlement	-	-	(10,900)	-
Net cash flow from operating activities adjusted for selected one-time items	58,091	53,151	49,801	70,000 to 78,000
Capital Expenditures	3,862	5,405	5,988	10,000 to 8,000
Operating Free Cash Flow	54,229	47,746	43,813	57,000 to 67,000
Reconciliation of GAAP EPS to Adjusted Non-GAAP EPS (\$ thousands)				
GAAP Earnings Per Share (Diluted)	1.21	1.12	1.45	1.05 to 1.34
Selected one-time items				
One-time tax benefit	-	-	(0.46)	-
Lawsuit settlement cost	-	-	0.14	-
Incremental compensation expense	-	-	-	0.03
Cost of stock options review	-	-	-	0.07
Adjusted earnings per share after selected one-time items	1.22	1.12	1.13	1.15 to 1.44
Amortization of acquisition-related intangibles	-	0.01	0.05	0.22
Non-cash equity-based compensation	-	-	0.11	0.14
Adjusted Non-GAAP earnings per share	1.22	1.13	1.29	1.51 to 1.80



www.tsainc.com



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News Release

For more information contact:
William J. Hoelting
Vice President, Investor Relations
402.390.8990

FOR IMMEDIATE RELEASE

Transaction Systems Architects Updates Regulatory Filing Schedule and Adjusts Financial Guidance

Calendar Year 2007 Guidance Adjusted for Previously-Disclosed Items

(NEW YORK, N.Y. — June 5, 2007) — Transaction Systems Architects, Inc. (Nasdaq:TSAI), today announced its expected timing for regulatory filings and adjusted financial guidance for calendar year 2007. We are adjusting our calendar year 2007 financial guidance based on items disclosed in our recent regulatory filings.

Update on Regulatory Filings

As previously disclosed, we received a written notification from the Staff of NASDAQ stating that the NASDAQ Listing Qualifications Panel has granted our request for continued listing on NASDAQ Global Select Market, subject to the condition that we file our Form 10-K for the fiscal year ended September 30, 2006, and our Form 10-Q for the quarter ended December 31, 2006, and all required restatements, by July 2, 2007. Our Form 10-K for fiscal 2006 was filed on May 11, 2007, and we are targeting to file our Form 10-Q for December 31, 2006 by July 2,

2007. Once we file our Form 10-Q for the quarter ending December 31, 2006, our current estimate is that it will take approximately four to five weeks to file each of our Form 10-Q's for the quarters ending March 31, 2007 and June 30, 2007. We do not expect to issue preliminary financial results for these respective quarters prior to completing our normal quarter-closing procedures.

"We continue to work hard to get back to a regular schedule for our regulatory filings and financial reporting," said Philip G. Heasley, TSA's CEO. "This process has certainly been time-consuming and expensive. Despite this, our team has continued its focus on providing world-class solutions to our customers worldwide, and on enhancing our overall global infrastructure so we can take advantage of the opportunities ahead of us in this dynamic and growing market."

Adjusted Financial Guidance

Based on items noted in our Form 10-K for fiscal year 2006 filed on May 11, 2007, and our Form 8-K filed on May 16, 2007, we are adjusting our financial guidance for calendar year 2007. Our adjusted guidance reflects the following items:

- The revisions to our historical 60-month and 12-month backlog estimates as disclosed in our Form 10-K for fiscal 2006. These revisions have created a new baseline for our backlog metrics entering calendar year 2007. The impact on our calendar year 2007 guidance due to these revisions is as follows:

- 60-month backlog at December 31, 2007, will be reduced by approximately \$22 million; and
- 12-month backlog entering calendar year 2007 was reduced between \$3 million and \$4 million, which reduces both our revenue and operating free cash flow by the same amount, and results in a reduction in our GAAP and adjusted non-GAAP earnings per share guidance of approximately \$0.06.
- The impact of higher expenses related to our review of historical stock option granting practices. Our previous guidance assumed total expenses from this review of approximately \$6 million. Due to the length of the review, our new estimate of expenses for the review is approximately \$7 million. This expense impacts the quarters ending December 31, 2006 and March 31, 2007 by approximately \$3 million each, and the quarter ending June 30, 2007 by approximately \$1 million.
- Incremental compensation expense between \$1 million and \$2 million primarily related to a post-employment agreement with a former executive officer.

We now expect our revenue in the second half of calendar year 2007 to be approximately 20 to 25 percent higher than in the first half of the year. In addition, we expect our reported GAAP expenses in the second half of calendar year 2007 to be approximately one to two percent higher than in the first half of the year.

Based on the specific items noted above, our adjusted financial guidance for calendar year 2007 calculates as follows:

- Operating free cash flow between \$57 million and \$67 million;
- Revenue between \$428 million and \$447 million;
- 60-month backlog on December 31, 2007 between \$1.309 billion and \$1.339 billion;
- GAAP earnings per share between \$1.05 and \$1.34; and
- Adjusted non-GAAP earnings per share between \$1.51 and \$1.80.

March Quarter Operating Highlights

“We had solid contracting and strong cash generation in the March quarter,” added Heasley. “We continue to see the need for major financial institutions, retailers and payment processors to replace or update their legacy payment infrastructures in the face of ongoing regulatory pressures, ever-increasing electronic payment volumes and the costs and complexity of supporting older technologies.”

We signed a major wholesale payments deal in Europe with a top 20 world bank, who licensed our ACI Money Transfer System to help them upgrade their global payments infrastructure and comply with the impending SEPA regulations. We signed new BASE24-eps deals with two of the top ten banks in France, our first retail payment engine deals in France in many years. We signed a top U.S. bank to run our ACI Enterprise Banker product in a hosted model, validation that our ACI On Demand initiative has interest within the banking community. We signed

several deals in the quarter with financial institutions in the United Kingdom to help them meet the new requirements for the U.K.-based Faster Payments initiative. In addition to the contracts we signed in France, we signed several significant BASE24-eps deals across our geographic channels, with both new and existing accounts, and on a range of operating platforms. Overall, we signed thirteen new accounts, licensed twenty-five new applications with existing customers and we signed 28 capacity upgrade licenses over \$100 thousand.

About Transaction Systems Architects, Inc.

Every second of every day, TSA solutions are at work processing electronic payments, managing risk, automating back office systems and providing application infrastructure services. TSA is a leading international provider of solutions for banking, retail and cross-industry systems. TSA serves more than 800 customers in 84 countries including many of the world's largest financial institutions, retailers and payment processors. Visit Transaction Systems Architects at www.tsainc.com.

Non GAAP Financial Measures

This press release includes (1) operating free cash flow and (2) earnings per share guidance on an adjusted, non-GAAP basis. TSA is presenting these non-GAAP guidance measures to provide more transparency to its earnings, focusing on operations before selected non-cash items and operating free cash flow.

The Company believes that providing earnings per share on an adjusted, non-GAAP basis is useful to its investors as an operating measure because it excludes certain expenses and therefore provides a consistent basis for comparison of the Company's expenses from period to period. TSA is also presenting operating free cash flow, which is defined by the Company as net cash provided by operating activities, adjusted for one-time items, minus capital expenditures. The

Company utilizes this non-GAAP financial measure, and believes it is useful to investors, as an indicator of cash flow available for debt repayment and other investing activities, such as acquisitions. The Company utilizes operating free cash flow as a further indicator of operating performance and for planning investing activities.

The presentation of these non-GAAP financial measures should be considered in addition to the Company's GAAP results and is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. A reconciliation of (1) net cash provided by operating activities to operating free cash flow and (2) GAAP earnings per share to non-GAAP adjusted earnings per share follows.

Calendar 2007 Guidance

Table A: Reconciliation of Operating Free Cash Flow

	CY07 Previous	CY07 Update
Net cash provided by operating activities	\$66 million to \$74 million	\$63 million to \$71 million
One-time items:		
Net after-tax cash payments associated with stock option review	\$4 million	\$4 million
Capital expenditures	(\$10 million to \$8 million)	(\$10 million to \$8 million)
Operating free cash flow	\$60 million to \$70 million	\$57 million to \$67 million

Calendar 2007 Guidance

Table B: Reconciliation of Adjusted Non-GAAP earnings per share

	CY07 Previous	CY07 Update
GAAP earnings per share	\$1.16 to \$1.45	\$1.05 to \$1.34
Incremental compensation expense	n/a	0.03
Cost of stock options review	0.05	0.07
Adj. earnings per share after selected one-time items	\$1.21 to \$1.50	\$1.15 to \$1.44
Amortization of acquisition-related intangibles	0.22	0.22
Non-cash equity-based compensation	0.14	0.14
Adjusted Non-GAAP earnings per share	\$1.57 to \$1.86	\$1.51 to \$1.80

Forward-Looking Statements

This press release contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. Generally, forward-looking statements do not relate strictly to historical or current facts and may include words or phrases such as the Company “believes,” “will,” “expects,” “looks forward to,” and words and phrases of similar impact, and include but are not limited to statements regarding future operations, business strategy and business environment and specifically include amounts estimated in the 12-month and 60-month backlogs, the Company’s revenue and earnings guidance and the expected timing of the Company’s regulatory filings.

There can be no assurance that (i) the Company will satisfy the other condition for continued listing regarding its December 31, 2006 10-Q, (ii) the Company will be granted any extension of time to meet such condition, if necessary, (iii) NASDAQ will not require the Company to file its March 31, 2007 and June 30, 2007 10-Qs by specified deadlines as additional conditions for continued listing on NASDAQ Global Select Market or that it would be able to meet any such additional conditions, or (iv) that the Company’s common stock will remain listed on NASDAQ Global Select Market.

Any or all of the forward-looking statements may turn out to be wrong. They can be affected by the judgments and estimates underlying such assumptions or by known or unknown risks and uncertainties. Many of these factors will be important in determining the Company’s actual future results. Consequently, no forward-looking statement can be guaranteed. Actual future results may vary materially from those expressed or implied in any forward-looking statements. In addition, the Company disclaims any obligation to update any forward-looking statements after the date of this release.

All of the foregoing forward-looking statements are expressly qualified by the risk factors discussed in the Company’s filings with the Securities and Exchange Commission. For a detailed discussion of these risk factors, parties that are relying on the forward-looking statements should review the Company’s filings with the Securities and Exchange Commission, including the Company’s Form 10-K filed on May 11, 2007 and specifically the section entitled “Factors That May Affect the Company’s Future Results or the Market Price of the Company’s Common Stock.”

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